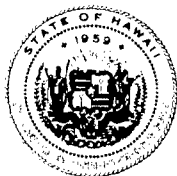


LINDA LINGLE
GOVERNOR
STATE OF HAWAII



MICHAEL KANE
CHAIRMAN
HAWAIIAN HOMES COMMISSION

KAULANA H. PARK
DEPUTY TO THE CHAIRMAN

ROBERT J. HALL
EXECUTIVE ASSISTANT

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P.O. BOX 1879
HONOLULU, HAWAII 96805

May 1, 2009

Office of Native American Programs
Attn: Claudine Allen
Native Hawaiian Program Specialist
500 Ala Moana Boulevard, Suite 3A
Honolulu, Hawaii 96813

Dear Ms. Allen:

Subject: American Recovery and Reinvestment Act (Recovery Act) of 2009

The Department of Hawaiian Home Lands (DHHL) received the Funding Approval/Agreement, Form HUD-52734-C, and the forms have been executed. As requested, two executed forms are being transmitted herewith, together with the Native Hawaiian Housing Plan (NNHP) Amendment.

Please notify the Department of Hawaiian Home Lands as soon as the Recovery Act funds are available in the Line of Credit Control System (LOCCS.)

If you have any questions, please contact me at (808)620-9512.

Aloha and mahalo,

A handwritten signature in black ink, appearing to read "Sandra S. Asato", is written over a horizontal line.

Sandra S. Asato, Planning and
Development Coordinator, NAHASDA

Enclosures

c: Rodger Boyd, Deputy Assistant Secretary for Native American Programs

COPY

Funding Approval/Agreement
Native Hawaiian Homelands Homeownership
Act of 2000 (Public Law 106-569)
Title VIII - Native Hawaiian Housing Block Grant

U.S. Department of Housing
and Urban Development
Office of Native American Programs

Exempt from OMB Approval
 5 CFR 1320.3(h)(1)

1. Name of Recipient	3. Recipient's 9-digit Tax Identification No.	4. Reserved
Department of Hawaiian Home Lands	99-0266483	
2. Recipient's Complete Address	5. Program/Grant Number	6. Amount Approved
91-5420 Kapolei Parkway Kapolei, HI 96707	08SHGHI0001	10,200,000.00

The Grant Agreement between the Department of Housing and Urban Development (HUD) and the above named Recipient is made pursuant to the authority of the Hawaiian Homelands Homeownership Act of 2000 (HHH Act), which adds Title VIII – Housing Assistance for Native Hawaiians (25 U.S.C. 4221 et seq.), to the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) (25 U.S.C. 4101 et seq.). The Recipient's submissions for Native Hawaiian housing assistance, the Act, (as now in effect and as may be amended by Congress), the HUD regulations at 24 CFR 1006 (as now in effect and as may be amended from time-to-time), and this Funding Approval, including any special conditions, constitute the Agreement. Subject to the provisions of this Grant Agreement, HUD will make the funding assistance specified here available to the Recipient upon execution of the Agreement by the parties. The Recipient acknowledges its responsibility for adherence to the Agreement by entities to which it makes funding assistance hereunder available.

U.S. Department of Housing and Urban Development (name, title, signature, and date) Paula O. Blunt, General Deputy Assistant Secretary X <i>Paula O. Blunt</i> 4/1/09		Recipient (name, title, signature, and date) Micah A. Kane, Director, Department of Hawaiian Home Lands X <i>Micah A. Kane</i> 5/1/09	
7. Special conditions (check applicable box)	8a. Date HUD Received Submission	9. (check one)	10. Amount of Native Hawaiian Housing Block Grant
a. <input type="checkbox"/> Not applicable	8b. Date Recipient Notified	a. <input checked="" type="checkbox"/> Orig. funding aprvl.	a. Funds Reserved for this Recipient 10,200,000.00
b. <input checked="" type="checkbox"/> See attachment(s)	8c. Date of Start of Recipient's Program Year 07/01/2008	b. <input type="checkbox"/> Amendment	b. Funds Now Being Approved 10,200,000.00
		c. Amendment Number	c. Reservation to be Cancelled (a minus b)

HUD Accounting Use Only

Batch	TAC	Program	Y	A	Reg.	Area	Document No.	Project No.	Category	Amount	Effective Date
	1 2 6										
	1 5 3										
	1 7 6										
Date Entered PAS	Date Entered LOCCS	Batch Number	Transaction Code	Entered by	Verified by						

Attachment to form HUD-52734-C, Funding Approval/Agreement

Program/Grant No.: 08SHGHI0001

The recipient agrees to the following Special Conditions under the American Recovery and Reinvestment Act (Recovery Act) of 2009.

1. All Recovery Act funds will be used for the following eligible activities: new construction, acquisition, rehabilitation including energy efficiency and conservation, and infrastructure development. In selecting projects to be funded with this allocation, the recipient shall give priority to projects where contracts can be awarded within 180 days from the date funds are available to the recipient which will be the date funds are available in the Line of Credit Control System (LOCCS).
2. Recipient shall obligate 100 percent of the funds within 1 year of the date the funds are available in LOCCS, expend at least 50 percent of the funds within 2 years of the date the funds are available in LOCCS, and expend 100 percent of the funds within 3 years of the date the funds are available in LOCCS. If the recipient fails to comply with the 2-year expenditure requirement, the Secretary will recapture all remaining funds awarded to the recipient and reallocate the funds, through the formula, to Indian Housing Block Grant formula recipients who are in compliance with those requirements. Funds not expended within the 3-year expenditure deadline will be recaptured. There is no waiver provision for these statutory requirements.
3. Recipient will comply with reporting requirements outlined in Section 1512 of the Recovery Act.
4. Recipients will obtain a Dun and Bradstreet Data Universal Numbering System (DUNS) number (or update the existing DUNS record) and register with the Central Contractor Registration (CCR) (if required).
5. The Recovery Act funds will be provided as a supplemental to the existing 2008 Native Hawaiian Housing Block Grant (NHHBG) allocation and is a one-time funding.
6. Recipients shall promptly refer to an appropriate Inspector General any credible evidence that a principal, employee, agent, contractor, sub-grantee, subcontractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving these Recovery Act funds.

The special conditions constitute part of the form HUD-52734-C, Funding Approval/Agreement.

Recipient Signature:  Date: 5/1/09

HUD Signature:  Date: 4/1/09

2008 NHHF AMENDMENT

Recipient Name: Department of Hawaiian Home Lands

Recipient Contact Person: Scottina Malia Ruis, NAHASDA Planner

Recipient Telephone Number: (808)620-9513

Email Address: scottina.ruis@hawaii.gov

NHHBG Amount (Recovery Act): \$10,200,000.00

Program/Project Number: 08SHGHI0001

Program Description

(This should adequately describe the programs that are planned)

Pursuant to the 2008 Native Hawaiian Housing Plan;

Goal Number 1: Increase the affordable housing inventory on Hawaiian home lands to meet the increasing or unmet demand for housing by low-income native Hawaiian families.

Objective 1A: Increase the supply of affordable housing units through the construction of infrastructure improvements for single-family housing.

Tasks and Activities:

- i. Construct infrastructure improvements for at least one single-family residential subdivision on the island of O'ahu to serve at least 20 eligible families and one on an outer island to serve at least 20 eligible families.

This goal, objective and task will not change as the ARRA funding will be focused on infrastructure development, specifically hard costs as per the ARRA regulations, in two different single-family residential subdivisions on O'ahu. The two projects targeted for the ARRA funding are Kaupuni Village, an 18 unit development on the Leeward coast of O'ahu of which all 18 units will be reserved for NAHASDA eligible households, and East Kapolei II, a 1,000 unit master planned community located in the Ewa Plains of O'ahu. Approximately 20% of the 1,000 East Kapolei II units, or 200 units, will be reserved for NAHASDA eligible households. East Kapolei II is a multi-year, multi-increment development project and the ARRA funds will be focused on infrastructure improvements for East Kapolei II, increments B & C. House construction for East Kapolei II is expected to begin in 2011 and should run through 2017.

The Eligible Activity from the list provided below is **(9) Site Improvements for Homeownership Housing**.

The intended outcomes are :

- 1) To assist renters to become owners of energy efficient homes.
- 2) To begin site improvements for affordable homeownership housing.
- 3) To preserve and create jobs and promote economic recovery.

Eligible Activities May Include (citations below all reference sections in NAHASDA):

- (1) Acquisition of Rental or Homeownership Housing [810(b)(1)]
- (2) Construction of Rental or Homeownership Housing [810(b)(1)]
- (3) Rehabilitation of Rental or Homeownership Housing [810(b)(1)]
- (4) Acquisition with Rehabilitation for Homebuyer Units [810(b)(1)]
- (5) Rehabilitation Assistance to Existing Homeowners [810(b)(1)]
- (6) Development of Emergency Shelters [810(b)(1)]
- (7) Conversion of Other Structures to Affordable Housing [810(b)(1)]
- (8) Development of Utilities and Utility Services for Homeownership Housing [810(b)(1)]
- (9) Site Improvement (e.g. Installation of Roads and Drainage) for Homeownership Housing [810(b)(1)]
- (10) Planning and Administration [802(d)]

Intended Outcomes May Include:

- (1) Reduce over-crowding
- (2) Assist renters to become homeowners
- (3) Improve quality of substandard units
- (4) Address homelessness
- (5) Create new affordable homeownership units
- (6) Assist affordable housing for students
- (7) Provide accessibility for disabled/elderly persons
- (8) Improve energy efficiency
- (9) Other (provide description): _____

Tasks Under This Program to be Completed During 36-Month Period

(List the specific tasks that will be accomplished under the new goal, activity, and program during the next 36 months. These tasks will be the basis for reporting under the Recovery Act).

Tasks and Activities:

- i. Construct infrastructure improvements for one single-family residential subdivision on the island of O'ahu to serve at least 18 eligible families, when home construction is completed.
- ii. Begin infrastructure improvements for one single-family residential subdivision on the island of O'ahu to serve at least 47 eligible families, when home construction is completed.

Amended Table on Anticipated Outputs for 36-Month Period

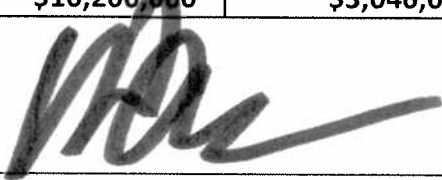
Program Activity	Output for 36-month period
Development – Homeownership	
Infrastructure Development (Kaupuni Village)	Site Improvements for 18 lots
Infrastructure Development (East Kapolei II B & C)	Site Improvements for 47 lots
Number of jobs created and/or retained (14 jobs per million \$ spent) ¹	140

¹ Estimates based on State of Hawaii Department of Business, Economic Development and Tourism methodology.

Budget Amendment

Program Activity	ARRA Funds budgeted to be expended in 36- month period	Other NHHBG Funds budgeted for 36-month period	Non NHHBG Funds budgeted for 36-month period	Total funds budgeted to be expended in 36- month period
Development				
Infrastructure for Kaupuni Village	\$1,700,000	\$0	\$0	\$1,700,000
Infrastructure for East Kapolei II	\$8,500,000	\$3,046,000	\$29,226,547	\$40,772,547
Total:	\$10,200,000	\$3,046,000	\$29,226,547	\$42,472,547

Recipient Signature: _____


Micah A. Kane, Chairman
Hawaiian Homes CommissionDate: 5/1/09